

Effective 5/13/2014

16-10b-303 Standard of conduct for officers.

- (1) An officer of a benefit corporation shall consider the interests and factors described in Subsection 16-10b-301(1) in the manner provided in Subsections 16-10b-301(1) and (2) if:
 - (a) the officer has discretion to act with respect to a matter; and
 - (b) it reasonably appears to the officer that the matter may have a material effect on the creation by the benefit corporation of general public benefit or a specific public benefit identified in the articles of incorporation of the benefit corporation.
- (2) The consideration of interests and factors in the manner described in Subsection (1) may not constitute a violation of Section 16-10a-831 or 16-10a-840.
- (3) Except as provided in the articles of incorporation or bylaws of a benefit corporation, an officer is not personally liable for monetary damages for:
 - (a) an action or inaction as an officer in the course of performing the duties of an officer under Subsection (1) if the officer performed the duties of the position in compliance with Section 16-10a-831 or 16-10a-840 and this section; or
 - (b) failure of the benefit corporation to pursue or create general public benefit or specific public benefit.
- (4) An officer does not have a duty to a person that is a beneficiary of the general public benefit purpose or a specific public benefit purpose of a benefit corporation arising from the status of the person as a beneficiary.

Enacted by Chapter 394, 2014 General Session